VIRGINIA:

BEFORE THE GAS AND OIL BOARD

**APPLICANTS:** 

CNX Gas Company LLC on behalf of Hurt McGuire Land Trust and four members of the Linkous Horn Heirs plus six members of the Thomas Stilwell Heirs. Docket No. 98-0325-0626-05

**RELIEF SOUGHT:** 

A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending prior orders Affecting Drilling S-36, a

portion of Tracts 3 and 4

(Referenced herein as "The Subject Drilling Unit")

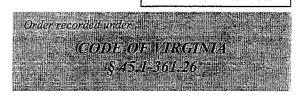
Location:

Issuance:

Buchanan County, Virginia

This recording supercedes the prior recording found at Instrument # 090002347 recorded 8-04-09.

Instrument prepared by:
VIRGINIA GAS AND OIL BOARD



VIRGINIA:

#### BEFORE THE GAS AND OIL BOARD

**APPLICANTS:** 

CNX Gas Company LLC on behalf of Hurt McGuire Land Trust and four members of the Linkous Horn Heirs plus six members of the Thomas Stilwell Heirs.

DOCKET NO.

98-0325-0626-05

RELIEF SOUGHT:

Issuance:

A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending Prior Orders Affecting Drilling S-36,

a portion of Tracts 3 and 4

(Referenced herein as "the Subject Drilling Unit")

Location:

Buchanan County, Virginia

#### **Action Details:**

- (1) To provide a calculation of funds, Unit Operator has deposited into the Escrow Account for Drilling Unit <u>S-36</u> by Tract Subaccounts;
- (2) To provide each applicant, in simple terms, a complete month over month Royalty Accounting of unit production, costs, taxes and proceeds, depicting variables used in the calculation of royalty payments to the unit escrow account.
- (3) To disburse unit funds to the Applicants, in accordance with their Unit Ownership Interests relative to those funds deposited by the Unit Operator into Subject Drilling

# REPORT OF THE BOARD

### **FINDINGS AND ORDER**

- 1. **Hearing Date and Place:** This matter came on for final hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on April 21, 2009 at the Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, VA.
- 2. <u>Appearances</u>: , Mark A. Swartz, Esq. SWARTS Law Offices PLLC appeared for the Unit Operator; and Sharon M.B. Pigeon, Assistant Attorney General, was present to advise the Board.
- 3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 et seq., and in particular Va. Code §§ 45.1-361.21 and 45.1-361.22, the Board finds that it has jurisdiction over the establishment and maintenance of an escrow account, with tract sub accounts, for each of the coalbed methane gas drilling units established by the Board through its field rules that are subject to a Board pooling order. Further, the Unit Operator is required to deposit, as applicable, those funds specified in Va. Code § 45.1-361.21.D., 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4 into the applicable escrow tract sub accounts. The Board finds that: (1) while it does not have jurisdiction to resolve conflicting claims to the ownership of the Coalbed Methane Gas produced by the Unit Operator from wells located on Subject Drilling Unit, and (2) while it does not have jurisdiction to interpret agreements by and between the Gas owners/claimants and/or the Unit Operators or to abridge or contravene the provisions of such agreements, (3) pursuant to Va. Code § 45.1-361.22.A.5, the Board does have jurisdiction and authority to disburse funds from the Escrow Account provided the Board has been provided with a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between the conflicting claimants or an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein.

# 4. **Prior Proceedings**:

- 4.1. (a) On March 24, 1998 the Board executed its order pooling interests in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code SS 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Buchanan County on May 14, 1998, Instrument Number 980001158. The Board executed its Supplemental Order Regarding Elections that was filed with the Clerk on June 15, 1998, Instrument Number 980002431.
  - 4.1.1 The Board executed it Supplemental Order -01 regarding a Modification of the Pooling Order and making additions and corrections from the unit operator; filed with the Clerk on May 3, 2000, Instrument Number 000001322.
  - 4.1.2 The Board executed it Supplemental Order -02 regarding a Modification of the Pooling Order and making additions and corrections from the unit operator; filed with the Clerk on January 31, 2000, Instrument Number 00000242. The Board executed a Supplemental Order Regarding Elections to the pooling modifications in September, filed with the Clerk on May 3, 2000, Instrument Number 000001325. (Hereafter all orders are collectively referred to as the "Pooling Orders").
  - 4.1.3 On January 20, 2004, the Board executed its order pooling (re-pooling) interests in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code SS 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Buchanan County on April 2, 2004, Instrument Number 040001009 (hereafter all orders are collectively referred to as the "Pooling Orders").
  - 4.1.4 On May 16, 2006, the Board executed its disbursement order VGOB 98-0324-0625-04 in the Subject Drilling Unit for certain parties of the Thomas Stilwell Heirs and the Albert Ball Heirs under a split agreement with Hurt McGuire Land Trust. The Disbursement Order and exhibits were filed with the Clerk of the Circuit Court of Buchanan County on September 26, 2006, Instrument Number 060003145.
  - 4.1.5 BECAUSE OF AN OVERPAYMENT TO Authur M. Stilwell from Unit T-36 VGOB -98-0324-0625-05 in 2007, a portion of the T-36 overpayment will be recovered and a transfer of funds will occur from this Unit and disbursement to Unit T-36.
- 4.2 To the extent claims to the Gas were in conflict, pursuant to Va. Code S 45.1-361-22 payments attributable to said conflicting claims were ordered deposited by the Unit Operator into the escrow account established by the Pooling Orders (herein "Escrow Account"). According to the Pooling Orders and testimony, the coal estate ownership interests of Hurt McGuire Land Trust; and the gas ownership interests of certain of the Thomas Stilwell heirship in tract 2A and Joe Nipper in tract 2Cin the Subject Drilling Unit were in conflict and became subject to the escrow requirements of the Pooling Order.
- 4.3 The Unit Operator's Miscellaneous Petition regarding a portion of tract 3 and tract 4 a copy of which is attached to and made a part hereof, states under oath that Hurt McGuire Land Trust and the Applicants have entered into an agreement with regards to a portion of Tract 3 and Tract 4 and that by the terms of the agreements, Hurt McGuire Land Trust has entered into a split agreement regarding these tracts and escrow regarding these individual conflicting claims detailed herein, is no longer required for these parties.
- 4.4 The Unit Operator gave notice to Hurt McGuire Land Trust and the applicants that the Board would consider its disbursement authorization at its hearing on April 21, 2009 and consider whether to: (1) amend the Pooling Order to provide for the disbursement a portion of funds on deposit in the Escrow Account attributable to a portion of tract 3 and tract 4 identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to a portion of said Tracts 3 and 4 the interests of Applicants identified in the miscellaneous petition in the Escrow Account, and (3) continue the escrow account under this docket number because there are other parties under this order subject to continued payments in the escrow.

4.5 The Unit Operator filed the attached accounting for Subject Drilling Unit's Escrow Account with the Board ("Accounting").

# 5. Findings:

### 5.1. Va. Code 45.1-361.22.5 provides:

The Board shall order payment of principal and accrued interests, less escrow account fees, from the escrow account to conflicting claimants within thirty days of receipt of notification of (i) a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between them or (ii) an agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein. The amount to be paid to the conflicting claimants shall be determined based on the percentage of ownership interest of the conflicting claimants as shown in the operator's supplemental filing made part of the pooling order that established the escrow account, the operator's records of deposits attributable to those tracts for which funds are being requested, and the records of the escrow account for the coalbed methane gas drilling unit. The interests of any cotenants who have not entered into an agreement shall remain in the escrow account.

## 5.2 Applicant has certified and represented to the Board that:

- (1) Hurt McGuire Land Trust and certain individuals of the Linkous Horn heirship property in tract 3; Hurt McGuire Land Trust and certain individuals of the Thomas Stilwell Heirs in Tract 4, are the owners of the coal and gas acreage estate underlying a portion of VGOB Tract 3 and VGOB Tract 4 of the Subject Drilling Unit;
- (2) Net interests attributable and to be disbursed to Applicants are shown in Table 1,

	VGOB Approved Disbursement					
	VGOB-98-0325-0626-05 UNIT S-36	Frac Interest	Acreage Interest Disbursed	Split Agreement	Escrowed Acres Total	% of Escrowed Funds
<u> </u>	Table 1		Disbuised		Total	
	A portion of Tracts 3 & 4					
Tract	Disbursement Table					
	Totals	MI USAN I PAR	Steinere de state est e	GAS A HARGINES, NO	40.45	3
Hurt l	McGuire Land Trust - Coal	(30 grant); -4(2)	3.2013	50.0%	1.601	3.96%
3	Hurt McGuire Land Trust, C/o Charles Tgreen; PO Box 1067; Bluefield, VA 24605	Such that would	MATE	Salar o salas salas salas salas	of the Other Advantage April 1988	Start Burgara
Linko	us Horn Heirs - Oil & Gas	27.44	50, 5 -0, (5 -0, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,	S. 19. 19. 19. 19. 19. 19. 19. 19. 19. 19	st (Bullion) abolition and M	and the state of t
3	Nellie A. Maynard; PO Box 296; Raven, VA 24639	1/180	0.1524	50.0%	0.076	0.19%
3	Danny W. Elder; PO Box 296; Raven VA 24639	1/180	0.1524	50.0%	0.076	0.19%
3	Robert G. Elder; PO Box 65; Raven VA 24639	1/180	0.1524	50.0%	0.076	0.19%
3	Joseph P. Horne; 492 Gray Barnch Road; Cedar Bluff, VA 24639	1/10	2.7440	50.0%	1.372	3.39%
	Annel And the representation of the result o	Day's Cont	. English of the production of	Professional	and produced to the second	Crabe - Wrood Spillin
	McGuire Land Trust - Coal		1.4719	50.0%	0.736	1.82%
4	Hurt McGuire Land Trust, C/o Charles Green; PO Box 1067; Bluefield, VA 24605	Y de Chap	1 S 18 V 2 18 G 1 V 1	દેવા દેવા છેલું ભાલક	Agar Paktok	Name a . Fa colonia Zelata
Thom	as Stilwell Heirs - Oil & Gas	7.57				
	TRANSFER AMOUNT TO ESCROW UNIT T-36 VGOB 98-0324-0625 AS RECOVERY FOR OVERPAYMENT IN 2007 TO: Authur M. Stilwell / PO Box 314 /	4.10				
4	Raven, VA 24639	1/8	0.9463	50.0%	0.473	1.17%
4	Linda S. Shelton / PO Box 521 / Pounding Mill, VA 24637	1/72	0.1051	50.0%	0.053	0.13%
4	Jeline Davis / 118 Coronado Rd. / North Tazewell, VA 24630	1/72	0.1051	50.0%	0.053	0.13%
4	Daniel J. Osborne / 100 Third Street, SW No. D77 / Mandan, ND 58554	1/72	0.1051	50.0%	0.053	0.13%
4	Lois Casey / PO Box 521 / Pounding Mill, VA 24637	1/72	0.1051	50.0%	0.053	0.13%
4	Quentin A. Stilwell / PO Box 154 / Rhame, ND 58651	1/72	0.1051	50.0%	0.053	0.13%

# 6. Relief Granted:

For the reasons set forth in Paragraph 4 and 5 above, and based upon the Accounting and Table 1 above, the Escrow Agent is ordered to, within 10 days of receipt of this executed order to disburse funds for the unit and applicants detailed in Table 1 above.

Exhibit E to the Pooling Order, showing owners subject to escrow, is deleted and replaced with the Exhibit E attached to this order. Further, the Supplemental Order filed in this cause is hereby modified to delete the requirement that payments attributable to the conflicting coalbed methane gas ownership interests of those applicants indicated in Table 1 be deposited by the Unit Operator into the Escrow Account, <u>and</u>, because there are no other owners subject to escrow under the Supplemental Order, the Escrow Agent is directed to close the Escrow Account for Subject Drilling Unit. To the extent not specifically granted herein, any other or further relief is denied.

# 7. Conclusion:

Therefore, the requested relief and all terms and provisions set forth above in Paragraph 6 above be and hereby are granted and IT IS SO ORDERED.

# 8. Appeals:

Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

9. **Effective Date:** This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 4 day of 3,2009 by a majority of the Virginia Gas and Oil Board.
Bradley Q. Lambert, Chairman
DONE AND PERFORMED this 14 day of 2009 by an Order of this Board.

David E. Asbury Jr.,
Principal Executive to the Staff
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA )
COUNTY OF RUSSELL

Acknowledged on this day of 2009, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and David E. Asbury Jr., being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

My commission expires: \_09\_/\_30\_/\_<del>2009\_</del>

Notary Public #174394



Instrument prepared by:
VTRGINIA GAS AND OIL BOARD

Order recorded under

CODE OF VIRGINIA

§ 45.1–361.26

VIR GINIA:

### BEFORE THE GAS AND OIL BOARD

APPLICANTS:

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DOCKET NO.

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a portion of Tracts 3 and 4

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- (3) To disburse unit funds to the Applicants, in accordance with their Unit Ownership Interests relative to those funds deposited by the Unit Operator into Subject Drilling

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# FINDINGS AND ORDER

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# 4. **Prior Proceedings**:

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  - 4.1.3 On January 20, 2004, the Board executed its order pooling (re-pooling) interests in the Subject Drilling Unit for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein "Gas") in accordance with the provisions of Va. Code SS 45.1-361.21 and 45.1-361.22 (herein "Pooling Order"). The Pooling Order was filed with the Clerk of the Circuit Court of Buchanan County on April 2, 2004, Instrument Number 040001009 (hereafter all orders are collectively referred to as the "Pooling Orders").
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- 4.3 The Unit Operator's Miscellaneous Petition regarding a portion of tract 3 and tract 4 a copy of which is attached to and made a part hereof, states under oath that Hurt McGuire Land Trust and the Applicants have entered into an agreement with regards to a portion of Tract 3 and Tract 4 and that by the terms of the agreements, Hurt McGuire Land Trust has entered into a split agreement regarding these tracts and escrow regarding these individual conflicting claims detailed herein, is no longer required for these parties.
- 4.4 The Unit Operator gave notice to Hurt McGuire Land Trust and the applicants that the Board would consider its disbursement authorization at its hearing on April 21, 2009 and consider whether to: (1) amend the Pooling Order to provide for the disbursement a portion of funds on deposit in the Escrow Account attributable to a portion of tract 3 and tract 4 identified in the attached miscellaneous petition (2) delete the requirement that the Unit Operator place future royalties attributable to a portion of said Tracts 3 and 4 the interests of Applicants identified in the miscellaneous petition in the Escrow Account, and (3) continue the escrow account under this docket number because there are other parties under this order subject to continued payments in the escrow.
- 4.5 The Unit Operator filed the attached accounting for Subject Drilling Unit's Escrow Account with the Board ("Accounting").

### 5. Findings:

#### 5.1. Va. Code 45.1-361.22.5 provides:

The Board shall order payment of principal and accrued interests, less escrow account fees, from the escrow account to conflicting claimants within thirty days of receipt of notification of (i) a final decision of a court of competent jurisdiction adjudicating the ownership of coalbed methane gas as between them or (ii) an

agreement among all claimants owning conflicting estates in the tracts in question or any undivided interest therein. The amount to be paid to the conflicting claimants shall be determined based on the percentage of ownership interest of the conflicting claimants as shown in the operator's supplemental filing made part of the pooling order that established the escrow account, the operator's records of deposits attributable to those tracts for which funds are being requested, and the records of the escrow account for the coalbed methane gas drilling unit. The interests of any cotenants who have not entered into an agreement shall remain in the escrow account.

- 5.2 Applicant has certified and represented to the Board that:
  - (1) Hurt McGuire Land Trust and certain individuals of the Linkous Horn heirship property in tract 3; Hurt McGuire Land Trust and certain individuals of the Thomas Stilwell Heirs in Tract 4, are the owners of the coal and gas acreage estate underlying a portion of VGOB Tract 3 and VGOB Tract 4 of the Subject Drilling Unit;
  - (2) Net interests attributable and to be disbursed to Applicants are shown in Table 1,

VGOB Approved Disbursement					
VGOB-98-0325-0626-05	Frac	Acreage	Split	Escrowed	% of
UNIT S-36	Interest	Interest Disbursed	Agreement	Acres Total	Escrowed Funds
Table 1					
A portion of Tracts 3 & 4					
Tract Disbursement Table					
Totals				40.45	
is a significant trap of speciments and the first of the	<u> </u>	t deal is p	7 . C. S.	m - Children house	guilyn organism of a
Hurt McGuire Land Trust - Coal		3.2013	50.0%	1,601	3.96%
3 Hurt McGuire Land Trust, C/o Charles Tgreen; PO Box 1067; Bluefield, VA 24605					
Linkous Horn Heirs - Oil & Gas	27,44	a China de Camada de Maria	18921 1443	. e.g. 1,2 ja . * ;	te of a Marking to a policy of
	27.44				
3 Nellie A. Maynard; PO Box 296; Raven, VA 24639	1/180	0.1524	50.0%	0.076	0.19%
3 Danny W. Elder; PO Box 296; Raven VA 24639	1/180	0.1524	50.0%	0.076	0.19%
3 Robert G. Elder; PO Box 65; Raven VA 24639	1/180	0.1524	50.0%	0.076	0.19%
3 Joseph P. Horne; 492 Gray Barnch Road; Cedar Bluff, VA 24639	1/10	2,7440	50.0%	1.372	3.39%
TO THE CONTROL OF THE CONTROL OF THE STREET STREET STREET OF THE STREET	1 434 / 1	True Metallication (1991)	i is to Jan Louis Heart	Service and Albertain	Ser Admir in the Pegar
Hurt McGuire Land Trust - Coal		1.4719	50.0%	0.736	1.82%
4 Hurt McGuire Land Trust, C/o Charles Tgreen; PO Box 1067; Bluefield, VA 24605		20 00 7235 1		137 1	
Thomas Stilwell Heirs - Oil & Gas	7.57	4, 1,1 414		131 1	
4 Authur M. Stilwell / PO Box 314 / Raven, VA 24639	1/8	0.9463	50.0%	0.473	1.17%
4 Linda S. Shelton / PO Box 521 / Pounding Mill, VA 24637	1/72	0.1051	50.0%	0.053	0.13%
4 Jeline Davis / 118 Coronado Rd. / North Tazewell, VA 24630	1/72	0.1051	50.0%	0.053	0.13%
4 Daniel J. Osborne / 100 Third Street, SW No. D77 / Mandan, ND 58554	1/72	0.1051	50.0%	0.053	0.13%
4 Lois Casey / PO Box 521 / Pounding Mill, VA 24637	1/72	0.1051	50.0%	0.053	0,13%
4 Quentin A. Stilwell / PO Box 154 / Rhame, ND 58651	1/72	0.1051	50.0%	0.053	0.13%

### 6. Relief Granted:

For the reasons set forth in Paragraph 4 and 5 above, and based upon the Accounting and Table 1 above, the Escrow Agent is ordered to, within 10 days of receipt of this executed order to disburse funds for the unit and applicants detailed in Table 1 above.

Exhibit E to the Pooling Order, showing owners subject to escrow, is deleted and replaced with the Exhibit E attached to this order. Further, the Supplemental Order filed in this cause is hereby modified to delete the requirement that payments attributable to the conflicting coalbed methane gas ownership interests of those applicants indicated in Table 1 be deposited by the Unit Operator into the Escrow Account, <u>and</u>, because there are no other owners subject to escrow under the Supplemental Order, the Escrow Agent is directed to close the Escrow Account for Subject Drilling Unit. To the extent not specifically granted herein, any other or further relief is denied.

## 8. Appeals:

Appeals of this Order are governed by the provisions of Va. Code § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

9. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this day of	009 by a majority of the Virginia Gas and Oil Board.
DONE AND PERFORMED this /O day of // /	Bradley C. Lambert, Chairman _, 2009 by an Order of this Board.
	David E. Asbury Jr., Principal Executive to the Staff

COMMONWEALTH OF VIRGINIA )
COUNTY OF WASHINGTON

Acknowledged on this day of day of Clambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and David E. Asbury Jr., being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

My commission expires: \_09\_/\_30\_/\_2009\_

Diane J. Davis
Notary Public #174394

Virginia Gas and Oil Board

#### BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING a portion of TRACT(S) 3 & 4 (2) AND AUTHORIZATION FOR DIRECT

PAYMENT OF ROYALTIES

**DRILLING UNIT: S-36** 

**BUCHANAN COUNTY, VIRGINIA** 

DIVISION OF GAS AND OIL DOCKET NO: VGOB 98-0325-0626-05

**HEARING DATE: April 21, 2009** 

#### MISCELLANEOUS PETITION

- 1. <u>Petitioner and its counsel:</u> Petitioner is **CNX Gas Company LLC**, 2481 John Nash Boulevard, Bluefield, WV 24701, 304/323-6500. Petitioner's counsel is Mark A. Swartz, **SWARTZ LAW OFFICES, PLLC.**, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.
- 2. **Relief sought:** (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to a portion of Tract(s) 3 & 4 as depicted upon the annexed Exhibit A; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Hurt McGuire Land Trust and Nellie A. Maynard, Danny W. Elder, Robert G. Elder, Joseph P. Horne; and Hurt McGuire Land Trust and Arthur M. Stilwell, Linda S. Shelton, Jerline Davis, Daniel J. Osborne, Lois Casey, and Quentin A. Stilwell.
- 3. <u>Legal Authority:</u> Va. Code Ann. § 45.1-361.1 <u>et seq.</u>, 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.
  - 4. **Type of well(s):** Coalbed methane.
- 5. Factual basis for relief requested Hurt McGuire Land Trust and Nellie A. Maynard, Danny W. Elder, Robert G. Elder, Joseph P. Horne, and Hurt McGuire Land Trust and Arthur M. Stilwell, Linda S. Shelton, Jerline Davis, Daniel J. Osborne, Lois Casey, and Quentin A. Stilwell have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A, further, specifies how said royalties are to be divided and paid.
- 6. Attestation: The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

CNX GAS COMPANY LLC

BY ITS PROFESSIONAL MANAGER
CNX-GAS COMPANY LLC, PETITIONER

By: \_\_\_\_\_\_u

Anita D. Duty

Pooling Supervisor

CNX Gas Company LLC

2481 John Nash Blvd.

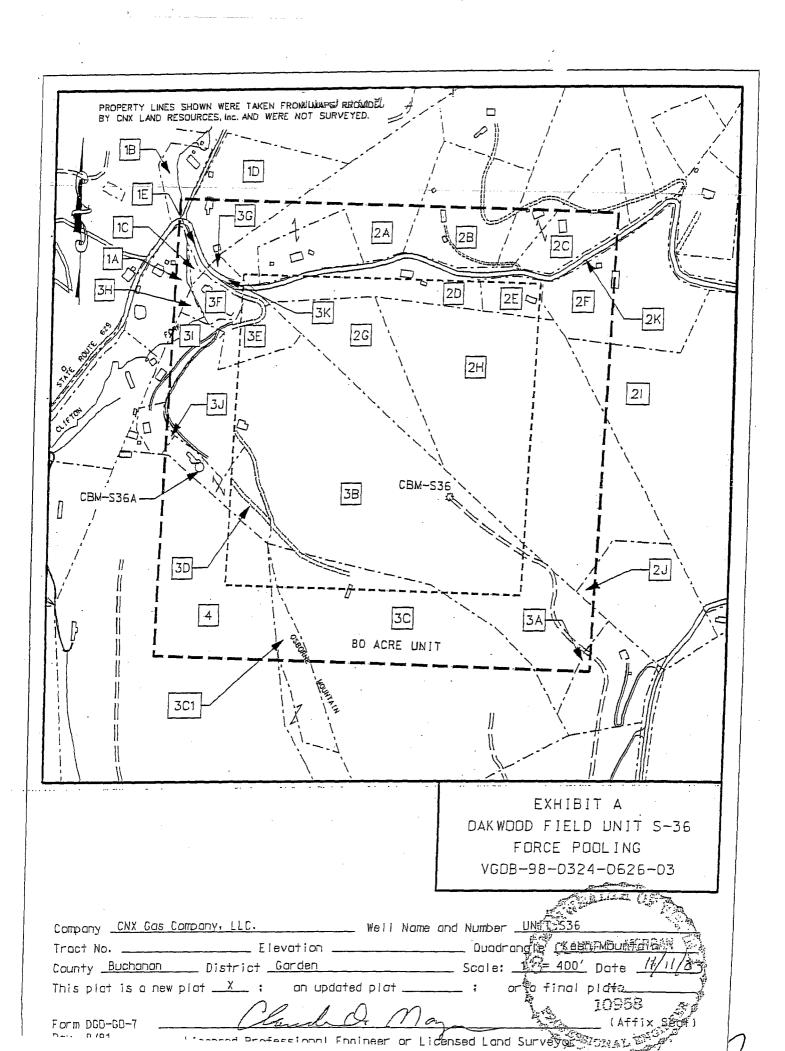
Bluefield, West Virginia 24701

# Exhibit A

# Tract-by-Tract Escrow Calculation Account Balances as of 2/28/06 ⊘

# Unit S/36 VGOB 98-0324-0626-05 Acres Escrowed: 37.7128

			Total Tract		Owners'	Amount
Owners	Tract#	Acres	Percent	Fractional	Percent of	Due Owners
			of Escrow	Interest	Escrow (50%)	\$406,354.34
Hurt McGuire Land Trust - Coal					36.3802%	\$147,832.61
Linkous Horn Heirs - O&G	3	27.44	72.7604%		36.3802%	\$147,832.61
Nellie Maynard		0.1524		1/180	0.2021%	\$821.29
Danny Elder		0.1524		1/180	0.2021%	\$821.29
Robert Elder		0.1524		1/180	0.2021%	\$821.29
Joseph P. Horne		2.7440		1/10	3.6380%	\$14,783.26
Hurt McGuire Land Trust - Coal		2.1028			2.7879%	\$11,328.80
Thomas Stilwell Heirs - O&G	4	7.57	5.5758%		2.7879%	\$11,328.80
Arthur M. Stilwell		0.9463		1/8	1.2545%	\$5,097.91
Linda S. Shelton		0.1051		1/72	0.1394%	\$566.43
Jerline Davis		0.1051		1/72	0.1394%	\$566.43
Daniel J. Osborne		0,1051		1/72	D.1394%	\$566.43
Lois Casey		0.1051		1/72	0.1394%	\$566.43
Quentin A. Stilwell		0.1051		1/72	0.1394%	\$566.43



# CNX Gas Company LLC UNIT S-36

# Tract Identification

H. S. T. Group L.C. (1168.71 Acre Tract) – All Minerals Island Creek Coal Company/Consolidation Coal Company – Below Drainage Coal Leased Jewell Smokeless Coal Corporation – Above Drainage Coal Leased CNX Gas Company LLC - CBM Leased 2.25 acres 2.8125%
Betty Ferrell - Surface Kenneth Byrd - Surface Crobbie Smith - Surface John Osborne - Surface
G.W. Gillespie Estate, Inc., et al – All Minerals Reserve Coal Properties Company – Coal Below Tiller Seam Leased Jewell Smokeless Coal Corporation –Coal In Jawbone Seam Leased CNX Gas Company LLC - CBM Leased 34.57 acres 43.2125%
lake Ham by Profess
John Horn Jr. – Surface
Jessie Matney – Surface
Bobby J. Matney, et ux- Surface
Goldie Horn – Surface
Helen Compton – Surface
Melissa Vandyke – Surface
Dexter Mounts - Surface
Jimmy Lee Horn – Surface
Ethel Burke – Surface
Roby Horn - Surface
Commonwealth of Virginia - Surface
Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal Consolidation Coal Company - Below Drainage Coal Leased
A. T. Massey - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Linkous Horn Heirs – All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased (10%)
27.44 acres 34.3000%
Willard Osborne – Surface
Arlen Osborne – Surface
Danny McClanahan – Surface
Robert Trent - Surface
Clifford Osborne - Surface
Robbie Smith – Surface
John Osborne – Surface
Betty Ferrell – Surface
Noah Keen, et al – Surface
Noah Keen - Surface
Commonwealth of Virginia - Surface

# CNX Gas Company LLC UNIT S-36

Tract Identification

3C. Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal Consolidation Coal Company - Below Drainage Coal Leased A. T. Massey - Above Drainage Coal Leased CNX Gas Company LLC - CBM Leased Linkous Horn Heirs - All Minerals except Coal CNX Gas Company LLC - Oil, Gas and CBM Leased (10%) Danny McClanahan - Surface (Oil and Gas Claimant) 7.61 acres 9.51250%

3C1. Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal
Consolidation Coal Company - Below Drainage Coal Leased
A. T. Massey - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Linkous Horn Heirs/Thomas Stilwell Heirs - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased (10%) If owned by Linkous Horn Heirs
CNX Gas Company LLC - Oil, Gas and CBM Leased (71/72) If owned by Thomas Stilwell Heirs
Danny McClanahan - Surface (Oil and Gas Claimant)
0.56 acres
0.7000%

4. Hurt McGuire Land Trust (William P. Stilwell 143.6 Acre Tract) - Coal Consolidation Coal Company - Below Drainage Coal Leased A. T. Massey - Above Drainage Coal Leased CNX Gas Company LLC - CBM Leased Thomas Stilwell Heirs - Surface and All Minerals except Coal CNX Gas Company LLC - Oil, Gas and CBM Leased (71/72) 7.57 acres 9.4625%

# Exhibit E

# Unit S-36

# Docket # VGOB 98-0325-0626-0 0ウ List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit	Division of I 5-Right 15.69343%	nterest in 6-Right 10.34483%
#3, 27.44 acres				
COAL FEE OWNERSHIP				
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	27.44 acres	34.3000%	5.38285%	3.54828%
OIL & GAS FEE OWNERSHIP				
Linkous Horn Heirs, Devisees Successors or Assigns	27.44 acres	34,3000%	5.38285%	3.54828%
(1) Arizona Osborne Heirs, Devisees, Successors or Assigns			,	
(a) Sydney Smith 1911 McVetty Road Salem, VA 24153	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(b) Kenneth R. Osborne 848 Peyton Street Roanoke, VA 24019	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(c) Martha Guilliams 1911 McVetty Road Salem, VA 24153	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(2) Lydia Bell Blankenship Heirs, Devisees, Successors or Assigns				
(a) Noah & Mary Jane Keen Rt. 1, Box 154 Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
(b) Shirley Keen Rt.1 Box 159R Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.3118%	0.04893%	0.03226%
(c) Patsy & Clyde Moore Rt. 1, Box 138 Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.0131%	0.00205%	0.00135%
(d) Brenda Sue & Eddie Justice P. O. Box 627 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.0131%	0.00205%	0.00135%
(e) James R. Osborne P. O. Box 484 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.0131%	0.00205%	0.00135%
(f) Clifford Osborne Heirs, Devisees, Successors or Assigns				

# Exhibit E Unit S-36

# Docket # VGOB 98-0325-0626-0 り

# List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit	Division of In 5-Right 15.69343%	nterest in 6-Right 10.34483%
(f.1) Phyllis W. Osborne Rt.1 Box 157E Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.0131%	0.00205%	0.00135%
(g) Ronnie & Sherry Osborne P. O. Box 12 Oakwood, VA 24631	0.2495 acres 1/110 of 27.44 acres	0.0131%	0.00205%	0.00135%
(h) Charles M. Osborne 216 Plantation Drive Richlands, VA 24641	0.2495 acres 1/110 of 27.44 acres	0.0131%	0.00205%	0.00135%
(i) Richard & Debbie Osborne P. O. Box 541 Keen Mountain, VA 24624	0.2495 acres 1/110 of 27.44 acres	0.0131%	0.00205%	0.00135%
<ul><li>(j) William Osborne Heirs, Devisees, Successors or Assigns</li></ul>				
(j.1) Ruth Keen	(Dee	ed of Gift to Joyce L	ineberry 3/16/03	3)
(j.1.1) Joyce Lineberry Mae PO Box 172 Cooleemee, NC 27014	0.2495 acres 1/110 of 27.44 acres	0.0131%	0.00205%	0.00135%
(k) John David Osborne Heirs, Devisees, Successors or Assigns				
(k.1) Darlene B. Osborne Rt.1 Box 157 Raven, VA 24639	0.2495 acres 1/110 of 27.44 acres	0.0131%	0.00205%	0.00135%
(3) Henry Horn Heirs, Devisees, Successors or Assigns				
(a) Perry W. Horn P.O. Box 33 Raven, VA 24639	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(b) Larry M. Horn Heirs, Devisees, Successors or Assigns Heirs / Address Unknown	0.9147 acres 1/30 of 27.44 acres	1.1433%	0.17943%	0.11828%
(c) Ivory Horn Heirs, Devisees, Successors or Assigns				
(c.1) Patricia D. Horton P.O. Box.65 Raven, VA 24639	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.02990%	0.01971%
(c.3) Tammy D. Boyd 195 Taylor Circle Raven, VA 24639	0.1524 acres 1/180 of 27.44 acres	0.1906%	D.02990%	0.01971%
(c.4) Margaret E. Dye 784 Big Creek Road Richlands, VA 24641	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.02990%	0.01971%
	Page 2 of 4			Rev. 3/25/09

# Exhibit E Unit S-36

# Docket # VGOB 98-0325-0626-05

# List of Conflicting Owners/Claimants that require escrow

		Acres in Unit	Percent of Unit	Division of II 5-Right 15.69343%	nterest in 6-Right 10.34483%
(4)	Thelma H. Osborne P. O. Box 33 Raven, VA 24639	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.53828%	0.35483%
(6)	Nancy Ann Horn Stilwell Rt. 4, Box 722 North Tazewell, VA 24630	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.53828%	0.35483%
(7)	Earnest Horn Heirs, Devisees, Successors or Assigns				
(a)	Dorothy Horn 305 Bane Bottom Avenue Cedar Bluff, VA 24609	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.53828%	0.35483%
(8)	Martha Smith P. O. Box 395 Max Meadows, VA 24360	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.53828%	0.35483%
(9)	Sarah Horn Day P. O. Box 208 Peterstown, WV 24963	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.53828%	0.35483%
(10)	Carl Horn Heirs, Devisees, Successors or Assigns				
(a)	Marilyn Taylor RR1 Box 1445 Pounding Mill, VA 24637	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.53828%	0.35483%
Tract #4, 7.57	7 acres				
COAL	FEE OWNERSHIP				
(1)	Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	7.57 acres	9.4625%	1.48499%	0.97888%
OIL &	GAS FEE OWNERSHIP				
	Thomas Stilwell Heirs, Devisees, Successors or Assigns	7.57 acres	9.4625%	1.48499%	0.97888%
	Sylvia A. Shelton 549 Jacks Creek Road Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.02062%	0.01360%
	Cora Arnold Heirs, Devisees, Successors or Assigns				
,	(o.1) James H. Arnold, widower P. O. Box 626 Raven, VA 24637	0.3154 acres 1/24 of 7.57 acres	0.3943%	0.06187%	0.04079%

# Exhibit E Unit S-36

# Docket # VGOB 98-0325-0626-0 ワ

# List of Conflicting Owners/Claimants that require escrow

			Division of Ir	iterest in
	Acres in Unit	Percent of Unit	5-Right 15.69343%	6-Right 10.34483%
(s) Theodore Stilwell HC66 Box 112A Whitewood, VA 24657	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.02062%	0.01360%
(t) Curtis Stilwell P.O. Box 908 Pounding Mill, VA 24637	0.1051 acres 1 <i>I</i> 72 of 7.57 acres	0.1314%	0.02062%	0.01360%

# Exhibit EE Unit S-36 Docket #VGOB 98-0324-0626-0

# List of Conflicting Owners/Claimants with Royalty Split Agreements

			Division of I		
	Acres in Unit	Percent of Unit	6-Right 5.74713%	7-Right 16.34981%	Percent of Escrow
.44 acres		e e			37.7128
L FEE OWNERSHIP					
Hurt McGuire c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	27.44 acres	34.3000%	1.97127%	5.60798%	
& GAS FEE OWNERSHIP					
	27.44 acres	34.3000%	1.97127%	5.60798%	
Henry Hom Heirs, Devisees, Successors or Assigns					
) Ivory Horn Heirs, Devisees, Successors or Assigns					
(c.2) Nellie Maynard P.O. Box 296 Raven, VA 24639	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.01095%	0.03116%	0.2021%
(c.5) Danny W. Elder P.O. Box 296 Raven, VA 24639	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.01095%	0.03116%	0.2021%
(c.6) Robert G. Elder P.O. Box 65 Raven, VA 24639	0.1524 acres 1/180 of 27.44 acres	0.1906%	0.01095%	0.03116%	0.2021%
Joseph P. Horne 492 Gray Branch Road Cedar Bluff, VA 24639	2.7440 acres 1/10 of 27.44 acres	3.4300%	0.19713%	0.56080%	3.6380%
acres					
FEE OWNERSHIP					
Hurt McGuire c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	7.57 acres	9.4625%	0.54382%	1.54710%	
GAS FEE OWNERSHIP			·		
	7.57 acres	9.4625%	0.54382%	1.54710%	
HC 62, Box 109	0.9463 acres 1/8 of 7.57 acres	1.1828%	0.06798%	0.19339%	n/a
P.O. Box 54	0.9463 acres 1/8 of 7.57 acres	1.1828%	0.06798%	0.19339%	n/a
	0.9463 acres 1/8 of 7.57 acres	1.1828%	0.06798%	0.19339%	n/a
	P.O. Box 1067 Bluefield, VA 24605  8 GAS FEE OWNERSHIP  us Horn Heirs, Devisees, assors or Assigns  Henry Horn Heirs, Devisees, Successors or Assigns  I lvory Horn Heirs, Devisees, Successors or Assigns  (c.2) Nellie Maynard P.O. Box 296 Raven, VA 24639  (c.5) Danny W. Elder P.O. Box 296 Raven, VA 24639  (c.6) Robert G. Elder P.O. Box 65 Raven, VA 24639  Joseph P. Horne 492 Gray Branch Road Cedar Bluff, VA 24639  Zacres  FEE OWNERSHIP  Hurt McGuire C/o Charles Green P.O. Box 1067 Bluefield, VA 24605  GAS FEE OWNERSHIP  Thomas Stilwell Heirs, Devisees, Successors or Assigns  Beulah V. Osborne HC 62, Box 109 Raven, VA 24639  Martha J. Stilwell P.O. Box 54 Raven, VA 24639  Virginia N. Stilwell HC 62, Box 97	L FEE OWNERSHIP  Hurt McGuire	L FEE OWNERSHIP  Hurt McGuire	Acres in Unit   Unit   5.74713%	Acres   Number   Nu

# Exhibit EE Unit S-36 Docket #VGOB 98-0324-0626-04 List of Confilcting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Division of 6 6-Right 5.74713%	Interest in 7-Right 16.34981%	Percent of Escrow
(d) Arthur M. Stilwell P.O. Box 314 Raven, VA 24639	0.9463 acres 1/8 of 7.57 acres	1.1828%	0.06798%	0.19339%	1.2545%
(e) Exie Osborne Heirs, Devisees, Successors or Assigns					
(e.1) Myrtle Smith Heirs, Devisees, Successors or Assigns					
(e.1.1) Nancy Jackson P.O. Box 448 Doran, VA 24612	0.0789 acres 1/96 of 7.57 acres	0.0986%	0.00566%	0.01612%	n/a
(e.1.2) Darlene Ward 117 Franklin Avenue Richlands, VA 24641	0.0789 acres 1/96 of 7.57 acres	0.0986%	0.00566%	0.01612%	n/a
(e.2) Maxie Boyd P.O. Box 972 Raven, VA 24639	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(e.3) Ruth Osborne Smith P.O. Box 672 Doran, VA 24612	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(e.4) Judy Blankenship Box 221 Doran, VA 24612	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(e.5) John Osborne Box 6 Shortt Gap, VA 24647	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(e.6) Ida Proffitt Box 6 Shortt Gap, VA 24647	0.1577 acres 1/48 of 7.57 acres	0.1971%	0.01133%	0.03223%	n/a
(f) Hubbard Osborne HC 62, Box 89 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(g) Linda S. Shelton P.O. Box 521 Pounding Mill, VA 24637	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	0.1394%
(h) Jerline Davis 118 Coronado Rd North Tazewell, VA 24630	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	0.1394%
(i) Arlin W. Osborne P. O. Box 446 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(j) Jackie D. Osborne Rt. 1, Box 209 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(k) Daniel J. Osborne 100 Third Street, SW No.D77 Mandan, ND 58554	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	0.1394%

# Exhibit EE Unit S-36 Docket #VGOB 98-0324-0626-04

# List of Confilcting Owners/Claimants with Royalty Split Agreements

			Division of Interest in		
	Acres in Unit	Percent of Unit	6-Right 5.74713%	7-Right 16.34981%	Percent of Escrow
(m) Marvin J. Osborne P. O. Box 537 Richlands, VA 24641	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(n) Lois Casey P.O. Box 521 Pounding Mill, VA 24637	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	0.1394%
(o) Leonard C. Stilwell P. O. Box 932 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
<ul><li>(p) Jay C. Stilwell Heirs, Devisees, Successors or Assigns</li></ul>					
(p.1) Connie Stilwell, widow P. O. Box 1035 Raven, VA 24639	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(q) Wanda Hagy P. O. Box 1738 Richlands, VA 24641	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(r) Bessie Lowe P. O. Box 47 Shortt Gap, VA 24647	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(u) Bernadine R. Lisburg 1418 First Avenue South Fargo, ND 58103	0.3154 acres 1/24 of 7.57 acres	0.3943%	0.02266%	0.06446%	n/a
(v) Gladys E. Pollert 1121 29 Street NW Fargo, ND 58102	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(w) David W. Stilwell 244 Texas Street, Apt #214 Rapid City, SD 57701	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(x) Thomas H. Stilwell 27 Horseshoe Bend Fargo, ND 58104	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(y) Quentin A. Stilwell P.O. Box 154 Rhame, ND 58651	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.021 <b>4</b> 9%	0.1394%
(z) Daniel J. Stilwell 100 Third Street SW No.D77 Mandan, ND 58554	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a
(aa) Bernice R. Lamb 2225 Second Avenue West International Falls, MN 56649	0.1051 acres 1/72 of 7.57 acres	0.1314%	0.00755%	0.02149%	n/a